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FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL — <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM94069
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Redwolf Production, Inc.		7. If Unit or CA Agreement, Name and No.
3a. Address P. O. Box 5382 Farmington, NM 87499		8. Lease Name and Well No. Crockett No. 3 23356
3b. Phone No. (include area code) (505) 326-4125		9. API Well No. 30-045-30594
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1955' FSL, 1440' FEL At proposed prod. zone Same		10. Field and Pool, or Exploratory Waw Fruitland Sand, PC
14. Distance in miles and direction from nearest town or post office* Three miles west of Carson Trading Post		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 25, T26N, R12W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1440'	16. No. of Acres in lease 480	17. Spacing Unit dedicated to this well 160
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2393'	19. Proposed Depth 1350' —	20. BLM/BIA Bond No. on file 2048
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6165' GL —	22. Approximate date work will start* As soon as permitted	23. Estimated duration 15 days
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Dana L. Delventhal</i>	Name (Printed/Typed) Dana L. Delventhal	Date 3/12/01
Title Vice President		
Approved by (Signature) <i>/s/ Lee Otter</i>	Name (Printed/Typed)	Date APR 10
Title	Office	

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

This application is subject to procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

ALL REQUIRED ATTACHMENTS ATTACHED TO THIS APPLICATION

NMOCD

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-30594	*Pool Code 87190	*Pool Name Waw Fruitland Sand, PC
*Property Code 23356	*Property Name CROCKETT	*Well Number 3
*OGRID No. 018973	*Operator Name RED WOLF PRODUCTION CO.	*Elevation 6165' —

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	25	26-N	12-W		1955	SOUTH	1440	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

*Dedicated Acres 160	*Joint or Infill N	*Consolidation Code	*Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	SEC. CORNER FD. U.S.G.L.O. BC. 1911	17	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Dana L. Delventhal</u> Signature <u>Dana L. Delventhal</u> Printed Name <u>Vice President</u> Title <u>3/12/01</u> Date
18	SEC. CORNER FD. U.S.G.L.O. BC. 1911	18	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. <u>1-12-01</u> Date of Survey <u>Roy A. Rush</u> Signature and Seal of Professional Surveyor <u>8894</u> Certificate Number

APR 2001

5281.8'

686'

1202'

1440'

LAT. = 36-27-26 N.
LONG. = 108-03-32 W.

1955'

5284.1'

N 89-55-03 W

N 0-01-51 W

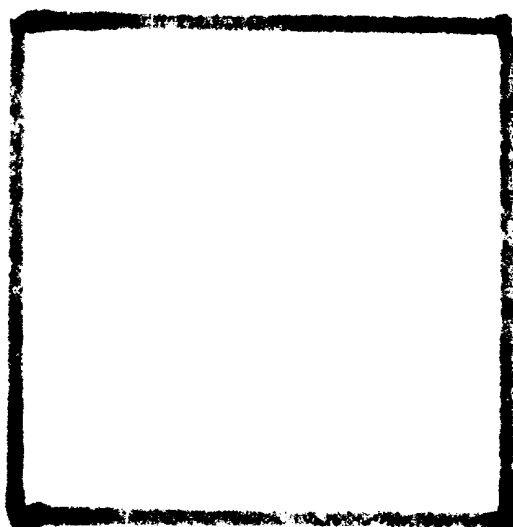
NMN94069

RED WOLF PRODUCTION CO.

CROCKETT #3

SE/4 SEC. 25, T-26-N, R-12-W, N.M.P.M.

SAN JUAN COUNTY NEW MEXICO



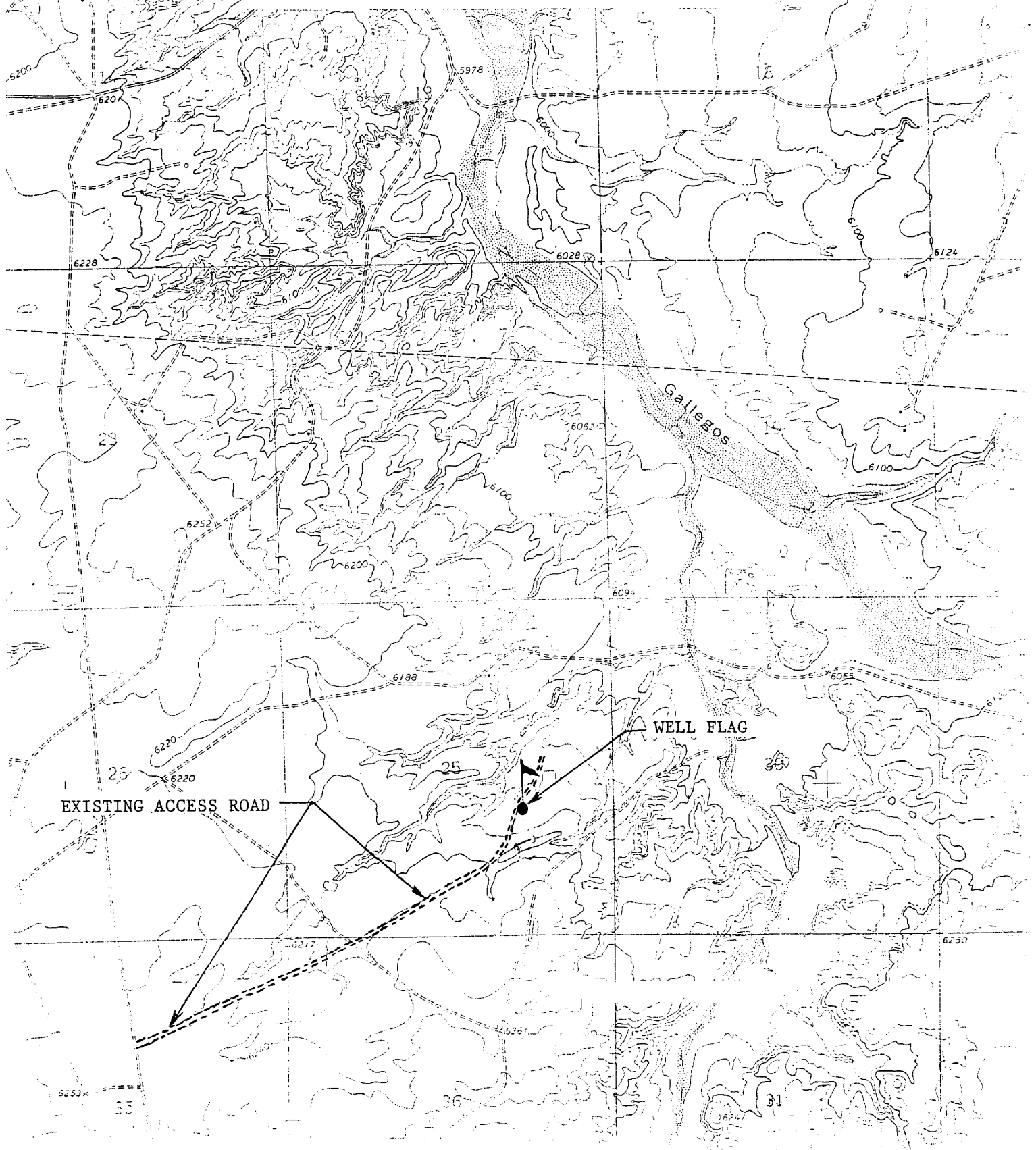
RED WOLF PRODUCTION CO.

CROCKETT #3

SE/4 SEC. 25, T-26-N, R-12-W, N.M.P.M.

SAN JUAN COUNTY, NEW MEXICO

1955 FSL 1440 FEL



Drilling Program

1. Formation Tops

The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>SS Elev.</u>
Fruitland Coal	1166'	1170'	4959'
Pictured Cliffs	1186'	1190'	4939'
Total Depth (TD)	1346'	1350'	4815'

*All elevations reflect the ungraded ground level of 6165'.

2. Notable Zones

Oil and Gas Zones

Fruitland (1170')
Pictured Cliffs (1190')

The primary objective is the Waw Fruitland Sand, Pictured Cliffs formation. Completion may require fracturing. The entire wellbore will be cased. Water zones will be protected with casing, cement and weighted mud. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. Pressure Control

BOP systems will follow Onshore Order No. 2. The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical model is shown on the attached page.

Once out from under the surface casing, a minimum 2000 psi BOP and choke manifold system will be used. BOP controls will be installed before drilling the surface casing plug and used until the well is completed or abandoned.

Pressure tests to 1,500 psi will be conducted with a BOP tester. All BOP mechanical and pressure tests will be recorded on the driller's log. BOPs will be inspected and operated at least daily to assure good mechanical working order. The inspection will be recorded on the daily drilling report.

4. Casing and Cement

<u>Hole Size</u>	<u>OD</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Depth</u>
8 3/4"	7"	20.00	J-55	120'
6 1/4"	4 1/2"	10.50	J-55	1350'

Surface casing will be cemented to surface with 50 sx (59 cf) of Class B cement containing 2% CaCl and 1/4 #/sk cello flakes. Production casing will be cemented to surface in one stage using 75 sx (155 cf) of Class B cement containing 2% Sodium Metasilicate and 1/4 #/sk cello flakes followed by 100 sx (118 cf) of Class B cement containing 2% CaCl and 1/4 #/sk cello flakes. The entire wellbore will be cased. Water zones will be protected with casing, cement, and weighted mud.

5. Mud Program

The proposed mud program is:

<u>Depth</u>	<u>Type</u>	<u>ppg</u>	<u>Vis(cp)</u>	<u>F1(cc)</u>
0-120'	Spud mud and Gel Lime	8.8	50	N/A
120'-TD	LSND	9.0	45	10

6. Coring, Testing, and Logging

No cores are planned. The following logs are likely to be run:

Dual Induction, Formation Density,
Compensated Neutron, SP, Gamma Ray